



IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA)	
)	CRIMINAL NO. 1:12-CR-434
v.)	
)	<u>Count 1</u> : 26 U.S.C. § 7206(1)
SOOKYEONG KIM SEBOLD)	(Filing False Individual Income Tax Return)
a/k/a SOPHIA KIM)	
)	<u>Count 2</u> : 26 U.S.C. § 7201 (Tax Evasion)
Defendant.)	

SUPERSEDING INDICTMENT

November 2012 Term - At Alexandria

THE GRAND JURY CHARGES THAT:

GENERAL ALLEGATIONS

1. Beginning in or about the mid 1990s and continuing through in or about 2006, within the Eastern District of Virginia and elsewhere, the defendant, Sookyeong Kim Sebold a/k/a Sophia Kim (“SEBOLD”) resided in McLean, Virginia within the Eastern District of Virginia. During that period, SEBOLD was employed by the Korean Cultural & Freedom Foundation (“KCFF”) as KCFF’s Bookkeeper and Treasurer. As part of her position with KCFF, SEBOLD held signature authority over financial accounts maintained on behalf of KCFF.

2. At all times material to this Indictment, KCFF was a non-profit charitable organization doing business in Washington, D.C., McLean, Virginia, within the Eastern District of Virginia and elsewhere.

3. At all times material to this Indictment, KCFF was founded to promote the Korean Culture, including the Korean Ballet within the United States and elsewhere. KCFF provided funding to organizations located in Korea, among other locations, to assist with the

logistics of planned dance performances taking place in the United States and at numerous locations worldwide.

4. Beginning in or about 2002 through in or about 2005, SEBOLD did commit a scheme to embezzle, steal, obtain by fraud and otherwise without authority, convert to the use of SEBOLD, a person other than the rightful owner, money valued in excess of approximately \$800,000 owned by and under the care, custody, and control of KCFF. For the calendar year 2005, SEBOLD did steal and misappropriate a substantial amount of monies in excess of approximately \$400,000 from KCFF. SEBOLD personally embezzled the money from KCFF in a number of ways, including, the transfer of money from KCFF financial accounts into personal and business accounts for which SEBOLD maintained sole custody and control.

5. As a means to further the embezzlement scheme, SEBOLD misappropriated KCFF funds and transferred such funds to financial accounts held in the name of SEBOLD and in the name of a business entity formed and controlled by SEBOLD. SEBOLD then spent the funds stolen from KCFF by, among other means: (A) directing securities trades through brokerage accounts personally controlled by SEBOLD; (B) gambling in casinos located in Atlantic City, New Jersey, Charles Town, West Virginia, and Seoul, Korea; and © the purchase of jewelry.

6. As a means to further the embezzlement scheme, SEBOLD did file false individual income tax returns (Internal Revenue Service ("IRS") Forms 1040 and attached schedules) for the tax years 2002, 2003, 2004, and 2005, on which SEBOLD willfully failed to report the embezzled monies from KCFF as income. SEBOLD also filed false individual income tax returns (VA Resident Forms 760-WEB) with the Commonwealth of Virginia for the tax years

2002, 2003, and 2004. SEBOLD also failed to report the money she embezzled from KCFF as income on these returns as well.

7. The IRS was an agency of the United States Department of the Treasury responsible for enforcing and administering the tax laws of the United States, and collecting taxes owed to the United States.

COUNT ONE
(Filing False Individual Income Tax Return)

THE GRAND JURY FURTHER CHARGES:

8. The allegations contained in paragraphs 1 through 7 of this Indictment are re-alleged as if fully set forth herein.

9. On or about September 14, 2010, in the Eastern District of Virginia, defendant SEBOLD, a resident of McLean, Virginia, did willfully make and subscribe a U.S. Individual Income Tax Return, IRS Form 1040 for the tax year 2005, which was verified by a written declaration that it was made under the penalties of perjury and which she did not believe to be true and correct as to every material matter, which was filed with the IRS and which reported that total income on Line 22 was \$0, whereas, she then and there knew and believed, the amount of total income on Line 22 was substantially greater.

(All in violation of Title 26, United States Code, Section 7206(1)).

COUNT TWO
(Tax Evasion)

THE GRAND JURY FURTHER CHARGES:

10. The allegations contained in paragraphs 1 through 7 of this Indictment are re-alleged as if fully set forth herein.

11. During the calendar year 2005 and through in or about 2010, defendant SEBOLD, a resident of McLean, Virginia, within the Eastern District of Virginia, did willfully attempt to evade and defeat a large part of the income tax due and owing by her to the United States of America for the calendar year 2005, by committing and causing to be committed affirmative acts of evasion, including, but not limited to the following: (A) On or about September 14, 2010, defendant SEBOLD did prepare and cause to be prepared, signed, and filed and caused to be filed with the IRS a false and fraudulent 2005 U.S. Individual Income Tax Return, IRS Form 1040 that substantially understated her total income and tax due and owing for the tax year 2005 by reporting her total income as \$0 and her tax due and owing as \$0, when in truth and fact, she then and there well knew and believed that she had omitted additional income in excess of \$400,000 upon which she owed a substantial tax to the United States of America; and (B) by providing

false statements to Special Agents of the Internal Revenue Service concerning the source and use of the funds defendant SEBOLD embezzled from KCFF.

(All in violation of Title 26, United States Code, Section 7201).

A TRUE BILL

Pursuant to the E-Government Act,
the original of this page has been filed
under seal in the Clerk's Office. *

FOREPERSON OF THE GRAND JURY

Neil H. MacBride
United States Attorney

By:


Mark D. Lytle
Assistant United States Attorney